

BOARD OF ADMINISTRATION BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE MEETING MINUTES

December 16, 2008

A meeting of the Benefits and Program Administration Committee (BPAC) was held on Tuesday, December 16, 2008, in the Lincoln Plaza North Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:30 a.m. and the roll was called. The following members were present:

Kurato Shimada, Chair
Rob Feckner, Vice Chair
Terrence McGuire for John Chiang
George Diehr
Greg Beatty for David Gilb
Henry Jones
Priya Mathur
Lou Moret
Tony Oliveira

Other Board Members present:

Grant Boyken for Bill Lockyer

AGENDA ITEM 2 – APPROVAL OF NOVEMBER 17, 2008 BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE MEETING MINUTES

On **MOTION** by Mr. Feckner, **SECONDED** by Dr. Diehr and **CARRIED** with modification of attendance for Greg Beatty who presided for David Gilb.

AGENDA ITEM 3 – STATE LEGISLATIVE PROPOSAL: MINOR POLICY AND TECHNICAL AMENDMENTS TO GOVERNMENT CODE

Danny Brown, Acting Chief, Office of Governmental Affairs presented a recommendation to legislation making minor policy changes and technical amendments to the Public Employee's Retirement Law to the Committee as an action item.

On **MOTION** by Ms. Mathur, **SECONDED** by Dr. Diehr and **CARRIED**, the Committee recommended the Board approve sponsoring legislation to make Minor Policy and Technical Amendments to the Governmental Code.

AGENDA ITEM 4 – PUBLIC HEARING AND COMMITTEE RECOMMENDATION: PROPOSED REGULATIONS ON DETERMINATION OF "EMPLOYEE" STATUS

At the direction of the Chair, this item will be scheduled for a future date.

AGENDA ITEM 5 – PROCEDURES FOR BOARD'S AWARD OF CALPERS CONTRACTS

Kim Malm, Chief, Operations Support Services Division, presented proposed changes to the Procedures for Board's Award of CalPERS Contracts to the Committee as an action item.

Staff presented two types of scoring methods for Request For Proposal's (RFP). Those methods were single award RFP's and pool RFP's.

At the direction of the Chair, staff was asked to provide written responses regarding suggestions presented by Ms. Mathur. Additionally, the Chair directed staff to work with Ms. Mathur and Dr. Diehr to bring back this information to the Committee at a later date.

AGENDA ITEM 6 – GOVERNMENTAL PLAN DETERMINATION LETTER UPDATE

Peter Mixon, General Counsel, presented the Governmental Plan Determination Letter Update to the Committee an information item.

Discussion resulted in continuing this issue and reviewing it during Cycle E. A task force will be formed to dialog and work with the IRS to obtain additional guidance regarding the process.

On **MOTION** by Ms. Mathur, **SECONDED** by Mr. Jones and **CARRIED**, the Committee recommended the Board consider whether to prepare and file an application with the IRS for plan determination letters at a future meeting, after additional information is collected.

AGENDA ITEM 7 – EFI'S PARALLEL VALUATION AND CERTIFICATION OF THE JUDGES' RETIREMENT SYSTEM (JRS) ACTUARIAL VALUATION AS OF JUNE 30, 2007

Ron Seeling, Chief Actuary, presented EFI's Valuation and Certification of the JRS as part of the outside actuaries' audit of internal staff's work to the Committee as an action item. JRS has been given a clean bill of health with EFI coming within 3.2 percent of our results.

On **MOTION** by Dr. Diehr, **SECONDED** by Ms. Mathur and **CARRIED**, the Committee recommended the Board approve EFI's Certification of the Judges' Retirement System (JRS).

AGENDA ITEM 8 – EFI'S PARALLEL VALUATION AND CERTIFICATION OF THE JUDGES' RETIREMENT SYSTEM II (JRSII) ACTUARIAL VALUATION AS OF JUNE 30, 2007

Mr. Seeling presented EFI's Parallel Valuation and Certification of the JRSII as part of the outside actuaries' audit on internal staff's work to the Committee as an action item. JRSII is the second tier of the Judges program. EFI came within less than 5 percent of our results.

On **MOTION** by Mr. Jones, **SECONDED** by Dr. Diehr and **CARRIED**, the Committee recommended the Board approve EFI's Certification of the Judges' Retirement System II (JRSII).

AGENDA ITEM 9 – EFI'S PARALLEL VALUATION AND CERTIFICATION OF THE JUNE 30, 2007, LEGISLATORS' RETIREMENT SYSTEM (LRS)

Mr. Seeling presented EFI's Parallel Valuation and Certification of the June 30, 2007, Legislators' Retirement System (LRS) to the Committee as an action item. EFI came within 3 percent of our results.

On **MOTION** by Mr. Jones, **SECONDED** by Ms. Mathur and **CARRIED**, the Committee recommended the Board approve EFI'S Certification of the Legislators' Retirement System.

AGENDA ITEM 10 – EFI'S PARALLEL VALUATION AND CERTIFICATION OF THE 1959 SURVIVOR BENEFIT PROGRAM

Mr. Seeling presented EFI's Parallel Valuation and Certification of the 1959 Survivor Benefit Program to the Committee as an action item. Ms. Mathur requested an overview on the 1959 Survivor Benefit Program be presented at a future date.

On **MOTION** by Ms. Mathur, **SECONDED** by Mr. Jones and **CARRIED**, the Committee recommended the Board approve EFI's Certification of the 1959 Survivor Benefit Program.

AGENDA ITEM 11 – PROPOSED AMENDMENTS TO REGULATIONS FOR RISK POOLS

Mr. Seeling presented Proposed Amendments to Regulations for Risk Pools to the Committee as an action item.

There were two amendments addressed to committee: the benefits effective date for agencies mandated into risk pools to be the first day an agency is required to pay for the mandated benefits and the right to keep agencies out of pools regardless of their size if it looks like they would hurt the pool.

On **MOTION** by Ms. Mathur, **SECONDED** by Mr. Jones and **CARRIED**, the Committee recommended the Board approve Proposed Amendments to Regulations for Risk Pools.

AGENDA ITEM 12 – 2008 RETIREMENT PLANNING FAIRS OVERVIEW

Ron Kraft, Chief, Customer Service Education Division presented an overview of the 2008 Retirement Planning Fairs to the Committee as an information item. One of the objectives of our business plan was to increased attendance by 50 percent by 2009, this objected has been completed a year early with an actual increase of 59 percent. In addition, attendance of school members rose from 293 in 2007 to 1,600 in 2008, well over 400 percent. The Chair and Ms. Mathur recognized staff for their contributions toward a successful event.

AGENDA ITEM 13 – CHIEF ACTUARY REPORT

Mr. Seeling announced that a termination of contract letter was sent to Laney College Bookstore, per the Board's Delegation of Authority. One retiree will be placed in the termination agency pool without reduction in benefits.

AGENDA ITEM 14 – ASSISTANT EXECUTIVE OFFICER REPORT

Donna Lum, Assistant Executive Officer, Member and Benefit Services Branch, thanked the Committee for its acknowledgement of the staff efforts regarding the retirement planning fairs. Ms. Lum Introduced Mary Lynn Fisher, new Division Chief of the Benefit Services Division and Angela Einweck, new Committee Assistant.

AGENDA ITEM 15 – DRAFT AGENDA FOR FEBRUARY 18, 2009 BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE MEETING

The following additions were made to the February 18, 2009, draft agenda:

- 2009 Member-At-Large Board Election Notice of Election and Schedule of Events
- Member Branch Performance Measures
- Employer Customer Inquiry Performance Measures
- Overview of 1959 Survivor Benefit Program

AGENDA ITEM 16 – PUBLIC COMMENT

There was no public comment.

The next meeting of the Benefits and Program Administration Committee is scheduled for February 18, 2009, in Sacramento, California.

DATE:	
	ANNE STAUSBOLL
	Chief Executive Officer